BUSINESS INFORMATION BUREAU
CORPORATION FILE

NATIONAL DAIRY
Products Corporation

Annual Report · 1946

BOARDS
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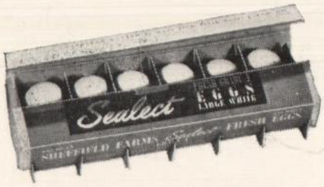
MR
CORP. FIL

KRAFT
Mayonnaise
Kitchen Fresh


Sealect
EGGS
LARGE WHITE
FRESH EGGS
SHEFFIELD FARMS

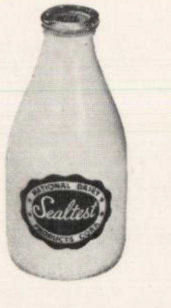
Fro·joy
Sealtest
ICE CREAM

Formulac*
INFANT FOOD
Sealtest

Semi-Solid
Chick
Emulsion

VELVEETA
A KRAFT PRODUCT
PASTEURIZED
DELICIOUS CHEESE FOOD
Old English CHEESE SPREAD
A KRAFT PRODUCT
KRAFT CHEESE COMPANY
MANUFACTURER · CHICAGO, ILL.

1 LB.
DAIRY STATES
Sweet Cream
Butter
1 LB.
DAIRY STATES
Sweet Cream
Butter


NATIONAL DAIRY
Sealtest
PRODUCTS CORP.

SUPERIOR
QUALITY
DIAMOND BRAND
CREAM CHEESE
PACKED BY NATIONAL CREAMERY CO.
SOMERVILLE & BOSTON, MASS.

DIAMOND BRAND
creamed
COTTAGE CHEESE
Have you tried DIAMOND BRAND
THICK SOUR CREAM
DIAMOND BRAND
Fine Quality
creamed
COTTAGE CHEESE

KRAFT
DINNER
FOR Delicious
MACARONI-AND-CHEESE
ONLY 7 minutes
COOKING TIME REQUIRED
(NO BAKING)
KRAFT
DINNER
FOR Delicious
MACARONI-AND-CHEESE
ONLY 7 minutes
COOKING TIME REQUIRED
(NO BAKING)

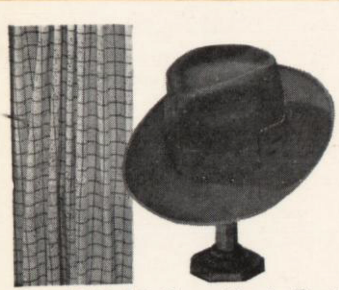
THIS CARTON CONTAINS
3 PACKAGES
NOODLE SOUP MIX
12 ECONOMICAL SERVINGS
Simply add boiling water
AND COOK 10 MINUTES

Breakstone's
REGULAR GRIND
COFFEE

Deerfoot farms
Frankfurts

KRAFT
Dairy-Fresh
CARAMELS
KRAFT
Dairy-Fresh
CARAMELS
KRAFT Dairy-Fresh CARAMELS

KRAFT
French
Dressing
Kitchen Fresh
Miracle
French Dressing
KRAFT



ARALAC; Casein Fiber for Textiles

Miracle Whip
Salad Dressing
KRAFT

Sealtest supervised
NATIONAL DAIRY
Sealtest
MALTED MILK
NATIONAL DAIRY PRODUCTS CO. INC.
NEW YORK, N.Y.

Deerfoot farms

KRAFT
PIMENTO
CHEESE SPREAD
KRAFT
PINEAPPLE
CHEESE SPREAD

BULK ICE CREAM
ONE GALLON
For Home Use

Breakstone's
SOUR CREAM
ONE PINT
Breakstone's
QUALITY
DAIRY PRODUCTS

QUICK FROZEN
ASPARAGUS TIPS
NET WEIGHT 2½ LBS.
Southern Dairies
QUICK FROZEN
FORDHOOK LIMAS
NET WEIGHT 2½ LBS.
QUICK FROZEN
PEAS
NET WEIGHT 2½ LBS.
Southern Dairies

Annual Report · 1946

National Dairy Products Corporation

Dedicated to the wider use and better understanding of dairy products as human food . . . as a base for the development of new products and materials . . . as a source of health and enduring progress on the farms and in the towns and cities of America.

The Annual Meeting of Stockholders is scheduled for April 17, 1947. A proxy statement is expected to be sent to stockholders on or about March 17, 1947 at which time proxies for the Annual Meeting will be requested

Review in Brief

OUR OPERATING RECORD IN 1946

OUR INCOME:		
The sale of our products amounted to	$742,409,000	
Our income from other sources was	2,023,000	
This gave us a total income of		$744,432,000
OUR COSTS AND EXPENSES:		
Milk and other products purchased from farmers and raw materials bought from other suppliers cost us	$448,720,000	
To process our products and serve our customers, we employed 41,799 men and women whose wages and salaries amounted to	122,408,000	
Operating services and supplies, and other miscellaneous costs of doing business totalled	56,626,000	
To package our products in bottles, cans, cases, cartons, jars and other containers required	32,549,000	
Our direct taxes to help support Federal, state and municipal governments were	26,723,000	
Repairs and maintenance to keep our plants functioning efficiently cost	16,757,000	
Despite repairs and maintenance, plants and equipment gradually wear out from constant use, become obsolete and eventually have to be replaced. Each year we provide a reserve for depreciation for this purpose. The amount provided this year was	8,822,000	
We reserved for possible future inventory price declines	5,000,000	
We paid to our bondholders as interest on money we had borrowed	1,383,000	
This brought our total costs and expenses to		718,988,000
OUR PROFIT:		
This left a profit of 3.4 cents on each $1 of sales, or a total of		$ 25,444,000
Which was divided as follows:		
Paid to common stockholders as dividends	$ 10,334,000	
Retained in the business for working capital, plant expansion and debt reduction	$ 15,110,000	

(*The formal 1946 Statement of Consolidated Profit and Loss with comparison for 1945 will be found on page 20*)

OUR FINANCIAL POSITION AT THE END OF 1946

WE OWNED

Cash and Government bonds	$ 26,862,000
Due from customers	30,754,000
Products, materials and supplies	86,766,000
Investments and other assets	8,482,000
Property, plant and equipment	94,873,000
Total Owned	$247,737,000

WE OWED

Bonds outstanding	$ 49,500,000
For materials and services	46,477,000
Reserves	23,502,000
Total Owed	$119,479,000
OUR NET WORTH, the excess of what we owned over what we owed	128,258,000
	$247,737,000

(*The formal 1946 Consolidated Balance Sheet with comparison for 1945 will be found on pages 18 and 19*)

STATISTICAL SUMMARY

Net Sales	$742,409,000
Net Profit	$ 25,444,000
Net Profit Per Share	$ 4.05
Shares of Stock Outstanding	6,267,797
Number of Stockholders No single stockholder owns as much as 1½% of the total shares outstanding	67,308
Dividends	$ 10,334,000
Dividends Per Share	$ 1.65
Taxes	$ 26,723,000
Taxes Per Share	$ 4.26
Current Assets	$144,382,000
Current Liabilities	$ 46,477,000
Working Capital	$ 97,905,000
Ratio Current Assets to Current Liabilities	3.1 to 1
Capital Expenditures	$ 22,506,000

The President's Statement

National income, employment and retail sales in the United States in 1946 reached unprecedented peaks. More people had more money to buy more things than ever before. As a result, the many basic products on which National Dairy's business is founded were in record demand, and National Dairy sales in 1946 amounted to $742,409,000 compared with $632,769,000 in 1945, an increase of $109,640,000.

Major factors in our increased sales volume were the expanding public consciousness of the nutritional value and economy of dairy foods and increasing public acceptance of our other products. Our program of diversification has been steadily pursued, with the result that our business today goes beyond milk processing and the manufacture of cheese, ice cream and butter.

EARNINGS AND COSTS

Net earnings in 1946 were $4.05 per share, compared with $2.25 per share in 1945. We paid $1.65 per share in dividends compared with $1.40 per share in the previous year. For each dollar received from our customers we earned 3.4 cents. This increase in earnings was due in the main to reduced taxes and larger sales.

But 1946 was a year of higher levels in costs of operation as well as in sales and earnings. Costs of materials, processing and distribution all rose to the highest peaks ever experienced by the Company.

CASH AND RESERVES

The combination of increased sales and increased costs of doing business made it necessary for us to invest our cash resources in inventories, receivables and capital expenditures greatly in excess of those realized from earnings after payment of dividends. As a result, our cash and United States Government securities at December 31, 1946 were $29,433,000 lower than at December 31, 1945, amounting to $26,862,000 as of December 31, 1946. In addition, we had $17,461,000 in U. S. Treasury Tax Savings notes, which amount is equivalent to 85 per cent of our 1946 Federal income tax provision.

In view of the possibility of declines in inventory values, the Board of Directors of the Company directed that provision for possible future inventory price declines be made out of 1946 earnings in the sum of $5,000,000, bringing our reserve for future possible inventory price declines and other contingencies to $15,000,000.

Our current assets on December 31, 1946 were $144,382,000 and current liabilities $46,477,000, which gave us net working capital of $97,905,000 and a current ratio of 3.1 to 1.

PROSPECT

All signs point to continuance of a strong demand for dairy products, resulting in part from a ten million increase in population, and in part from Government and industry educational programs which have brought about greatly broadened public understanding of the important role of dairy products in a healthful diet.

Granted the opportunity to seek price levels that will be attractive to the consumer, the Company's sales in 1947, while possibly receding somewhat from last year's high, should continue to be well in excess of previous years. In this respect it is important to note that the enthusiasm and experience of our operating management puts us in an excellent position to take advantage of every opportunity. Many economies in operations have been introduced, and efficiency is increasing steadily.

We are firm believers in reasonable prices for dairy products consistent with a fair profit to the farmer, a good wage for the employee and an adequate return to the stockholder.

The decrease in product cost in early 1947 has already enabled us to make substantial reductions in the price of butter and cheese, and reductions in the price of bottled milk. There is no assurance that these decreases can be maintained, since no one can foresee the trend of milk prices to farmers, or labor costs which affect the price of all supplies, as well as our own direct labor costs. It is hoped that in the period ahead our national economy will gradually adjust itself to an increase in the purchasing power of the dollar.

NEW CENTRAL LABORATORY

For some time, a new central National Dairy Research Laboratory has been contemplated. During the year we purchased a property at Oakdale, Long Island, N. Y., comprising a group of steel, brick and concrete buildings in sound condition which will provide us with an excellent central laboratory plant. Alterations are under way, and it is expected that the laboratory will be in operation this year.

As stated in last year's annual report, it had been planned originally to erect a new building to house the central laboratory. When shortages of building materials indicated at least a two-year delay in this plan, search was started for an existing structure which would lend itself readily to laboratory purposes. The property purchased not only fulfills the requirements admirably, but also contains more floor space than was originally planned. After conversion, the total cost of the laboratory plant will be substantially less than would have been the case if we had purchased a new site and erected new buildings.

HELPING SMALL BUSINESS

The raw materials we process are produced on thousands of farms, which are small business enterprises. In turn, these products are sold through hundreds of thousands of retail outlets, which are also small business enterprises. It is natural that we should do all we can to aid, encourage and protect these men in the successful pursuit of their independent ventures. It has always been our practice to help retailers improve their premises and merchandising methods in order to encourage the sale of our products and stimulate their business in general. This has helped to protect their security as business men.

Recognizing that many men want to establish themselves in business, we are helping them set up small business enterprises in the distribution of our products. Many men have been successfully launched on such careers in areas where the introduction of our products through their efforts has greatly improved the quality and increased the consumption of dairy products generally.

EUROPEAN PROPERTIES

Continental European properties, taken over during the war, were found, after VE Day, to be in good condition. They are now supplying much-needed dairy products, but have not yet been restored to our control, except in Holland.

In the following pages of this report you will find information about the expanding research program we are undertaking to develop more new products and to learn more about the utilization of all our basic materials. You will also find the formal financial statements and condensed ten-year statements of consolidated assets and liabilities and profit and loss to which your attention is directed.

ACKNOWLEDGEMENT

We are grateful to our employees for their loyalty and ability, which has contributed so materially to the 1946 result. It is gratifying to add that our organization is geared to maintain leadership in the dairy industry by the quality and service which are traditional with us, and which have brought such satisfactory results to farmers, employees, customers and stockholders.

L A Van Bomel

President

By order of the
Board of Directors

Thos. H. McInnerney

Chairman

New York, N. Y.
March 6, 1947

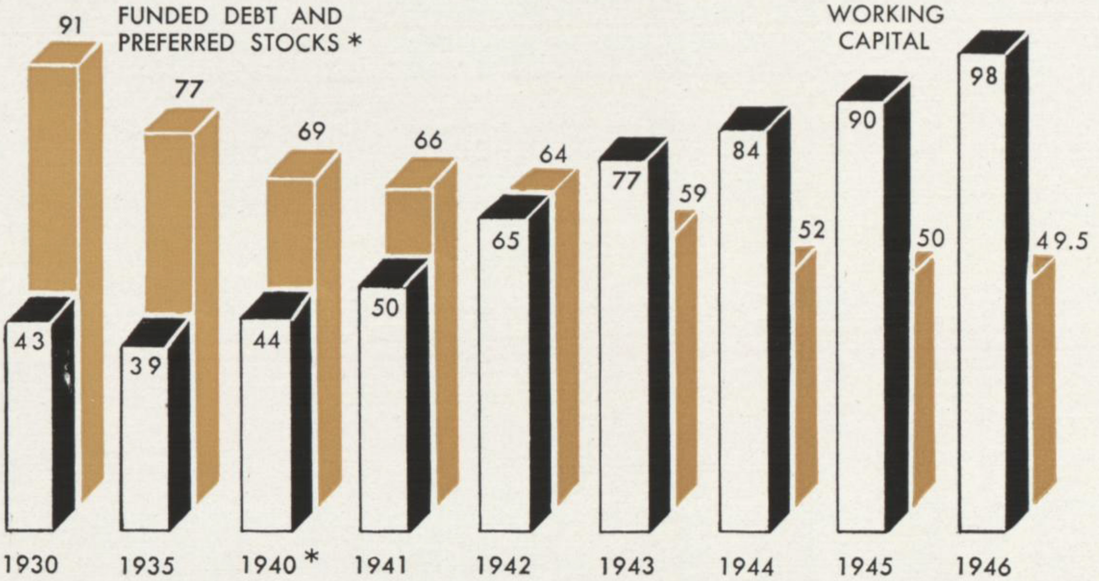
Graphic Facts

Each year we have broadened the scope of our annual report to stockholders in the interest of comprehensiveness, visual clarity and comparative data. To this end, numerous features have been added to the report in recent years. Notable among them are the Review in Brief section at the beginning of the report and the Condensed Ten-Year Statements of Consolidated Assets and Liabilities and Profit and Loss which are contained in the Financial Statements at the back.

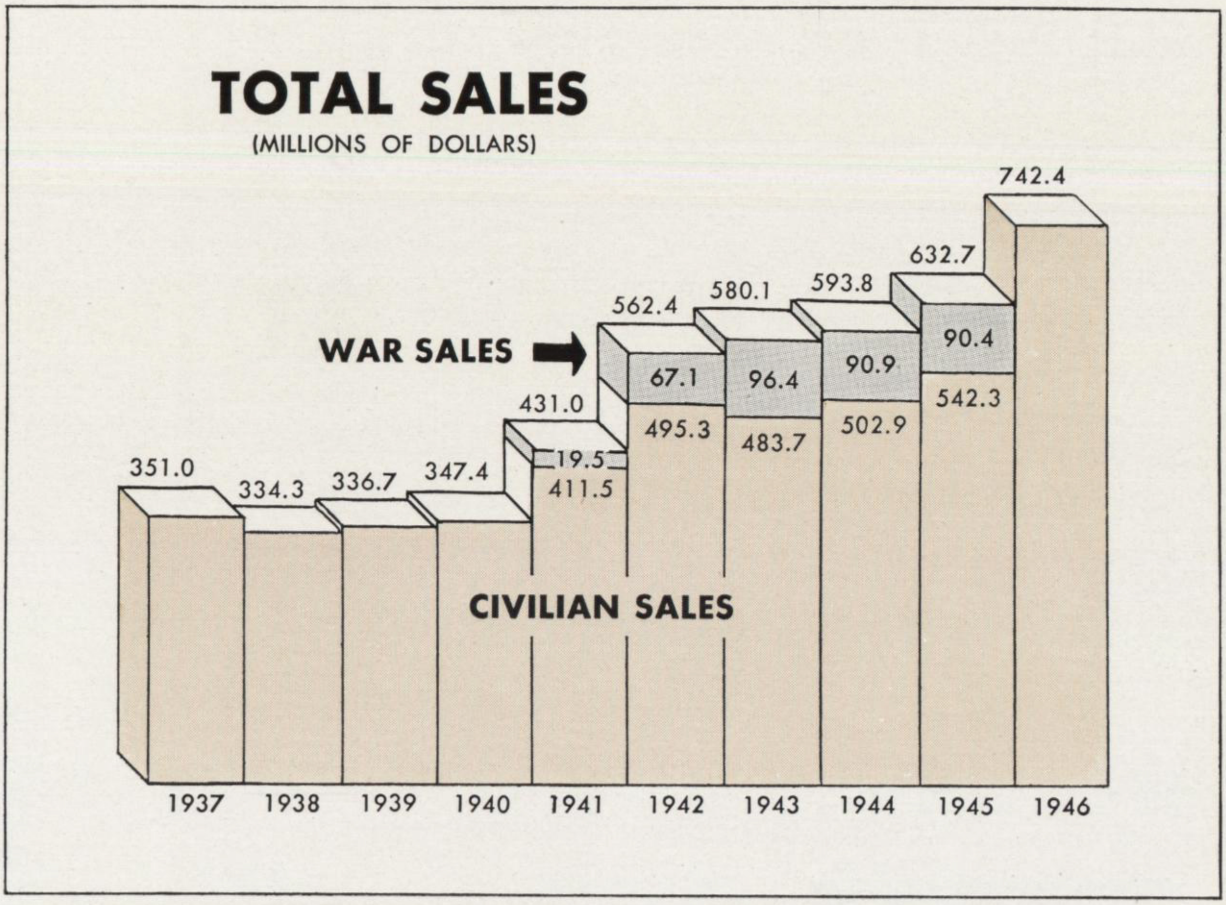
In line with this policy, it has been our practice to employ charts and graphs to supplement the information contained in the text. On this and the two following pages appear a visual presentation of a number of the salient facts concerning our financial position and operations.

RELATION OF FUNDED DEBT & PREFERRED STOCKS* TO WORKING CAPITAL

(MILLIONS OF DOLLARS)

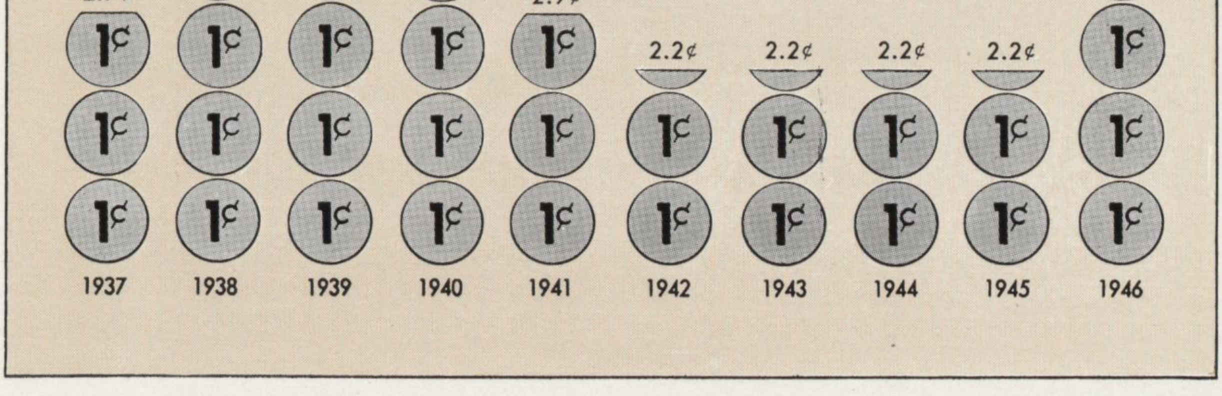


*The preferred stocks were retired in 1940



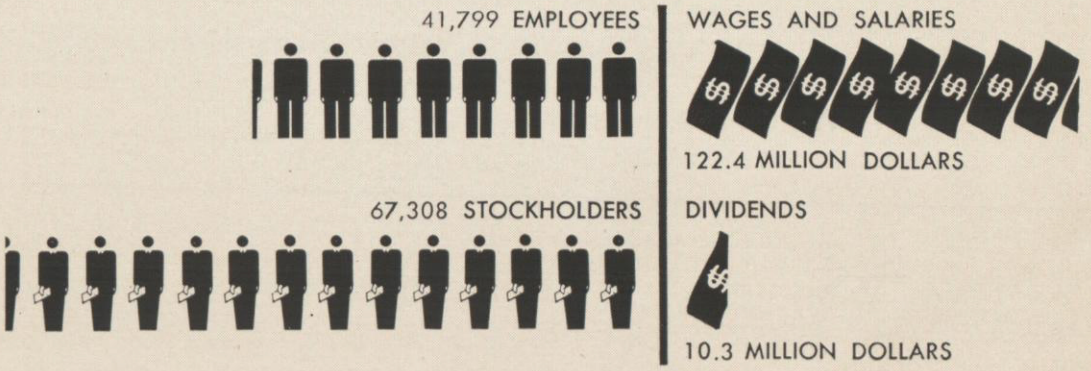
TOTAL SALES

(MILLIONS OF DOLLARS)

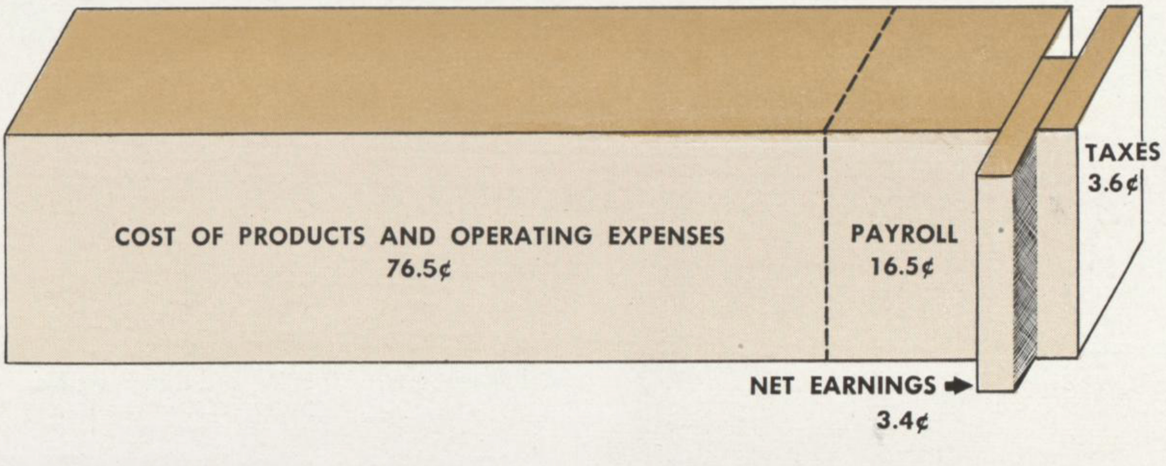


PROFIT PER DOLLAR OF SALES
1937-1946

WAGES AND SALARIES COMPARED WITH DIVIDENDS—1946



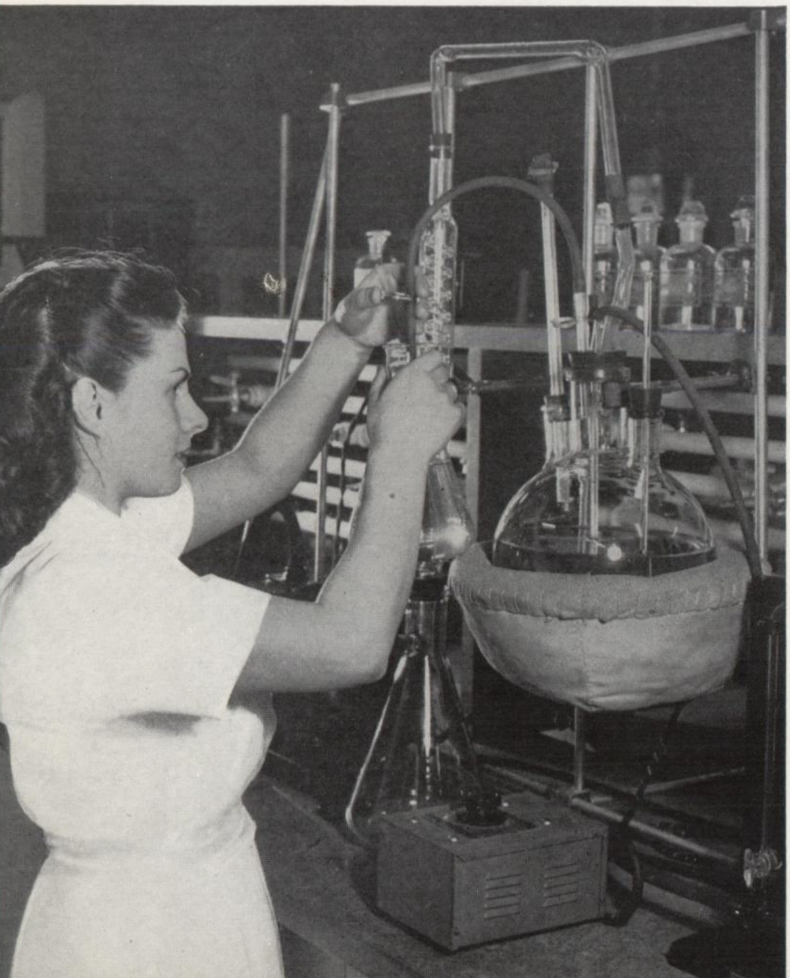
HOW THE SALES DOLLAR WAS DIVIDED IN 1946



Research and Development

A factor of major importance in the steady growth of National Dairy for many years has been the increasing fund of scientific knowledge about food. This has resulted in the creation of new products, the improvement of old ones, and the development of better ways to process, package, distribute and sell them.

In this respect, the experience of National Dairy has paralleled that of leaders in all industries. From constant search for better understanding of the characteristics of basic materials has come increased capacity to serve the public more fully and more efficiently.



NEW PRODUCTS AND METHODS

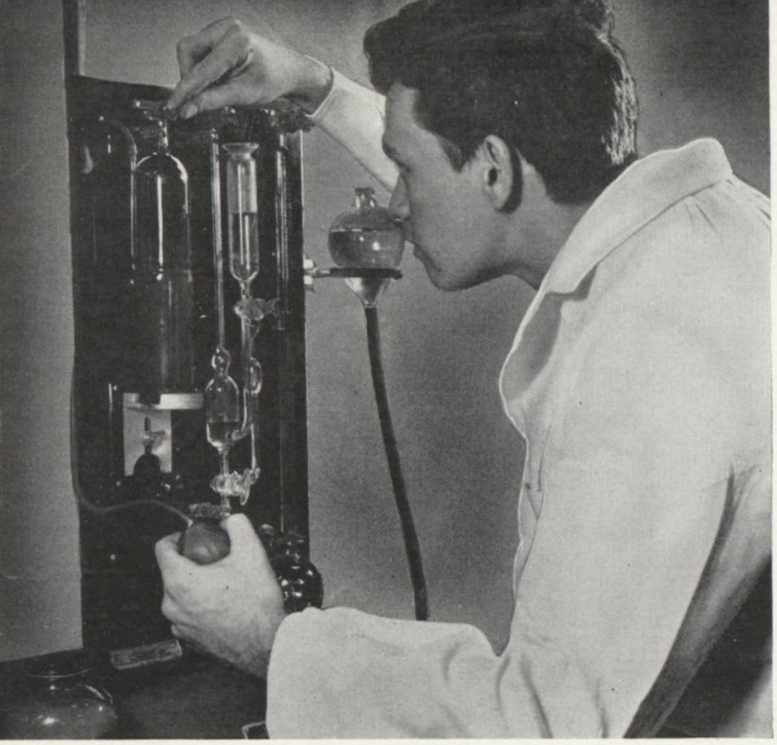
As a result of National Dairy's faith in research and its willingness to support that faith with adequate funds, there exist today new products and methods which contribute substantially to public health and convenience as well as to the progress and stability of National Dairy.

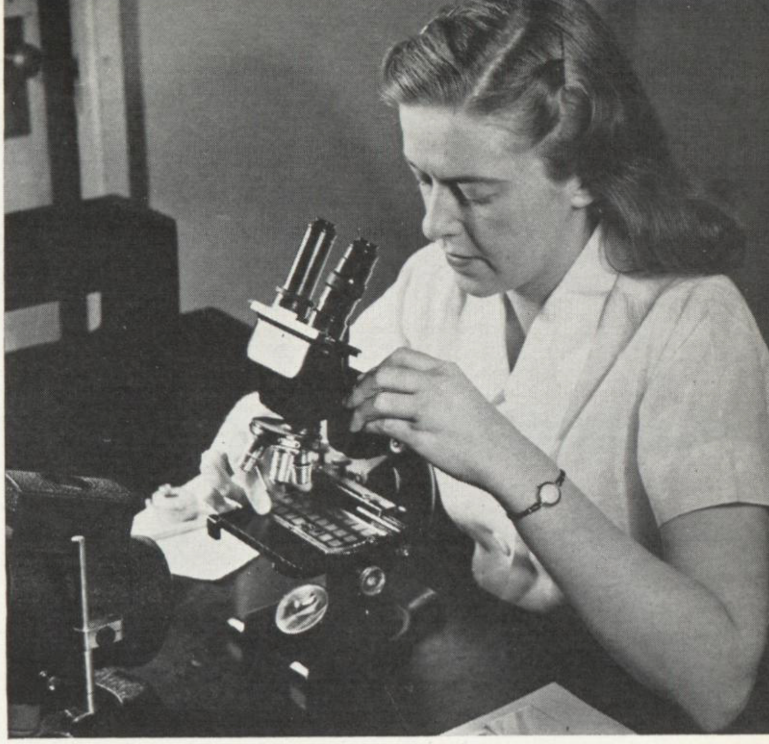
Through research, the familiar, early products of National Dairy—Kraft Foods Company pasteurized cheeses and other food products, Sealtest milk and Sealtest and Breyer ice cream — have steadily progressed in quality, purity and variety. Numerous new types of cheese have been developed and have become popular favorites.

As other practical developments emerge from the laboratory they are being transformed into new products which enable us to provide new services to the public or to meet some special need of industry.

FORMULAC

Formulac, the new baby food which was introduced in 1945 as a National Dairy contribution to easier, more economical and more scientific infant feeding, is enjoying wide acceptance among physicians and the public. Many physicians and mothers have written us to express their appreciation of this food which eliminates the possibility of error in preparing a formula in the home by providing the full daily requirements of all necessary vitamins and minerals in a concentrated milk base. Current demand indicates that it will occupy an important place in our growing line of products.





BETTER CALVES AND MORE MILK

Kaff-A, a new calf feed developed from milk by-products, is an interesting example of the ways in which our research aids the farmer, the consumer and the Company. Experience has demonstrated that Kaff-A reduces calf mortality and results in bigger, healthier calves. At the same time, it saves for human consumption the whole milk that normally would be consumed by the calf during the first eight weeks of its life. This amounts to approximately 500 pounds of milk per calf.

Thus, this particular result of our research program aids the farmer by enabling him to grow better calves while sending more milk to market; serves the consumer by making available in the market more milk; and helps the Company by adding another profitable item to its line of products.

Another National Dairy product with promising possibilities is vinegar made from whey. Whey, now being utilized by National Dairy for various purposes, was formerly a waste product. In this case, it is now being converted to white, distilled vinegar. About one million gallons of this vinegar were produced in 1946, and greater production is expected in 1947.

AID TO MEDICINE

With milk as a source, a whole new field of agricultural chemistry, with far-reaching potentialities, has been opened. Already this work has resulted in a number of specialized products which are filling long-felt needs in medicine and human nutrition. From milk are derived mixtures of the natural amino acids which are the building-blocks of all proteins. Milk proteins contain high proportions of those amino acids, so essential to good nutrition. Amino acids are obtained from milk by a process of digestion and are important in the treatment of protein deficiencies. Digested milk proteins are widely used for the growth of bacteria in laboratories. They are also used for the mass culture of the microorganism which produces streptomycin.

From whey is produced calcium lactate, which is used to treat calcium deficiencies. By another treatment of whey, we obtain lactose or milk sugar, used in infant foods.

With whey as a base, we also produce sodium lactate, useful as a blending agent in sulfa drug preparations.

INDUSTRIAL PRODUCTS

In the search for greater utilization of all component parts of raw materials, skim milk and whey have been converted into casein, lactic acid and many other by-products with wide application in industry. Casein, in turn, is going into many industrial and commercial products, among them Aralac, our textile fiber. Casein is also used in the manufacture of glue, coated paper, playing cards and wall paper. In addition, it reappears in the form of colorful belt buckles and as letter openers, cigarette holders and buttons.

Research developments are in their infancy. From research there may be expected in the years ahead an increasing number of important developments. For this reason, National Dairy has been steadily expanding its research staff and facilities as rapidly as war and post-war conditions would permit.

CONSUMER FOOD SERVICE

Our two major experimental kitchens — Kraft Foods Company's in Chicago, and Sealtest's in New York — are centers for education and promotion on the importance of dairy products. Here basic dairy recipes are originated and tested, and old favorites re-issued. In 1946 over 10,000,000 recipe booklets were distributed by these two centers alone to home makers, schools and other groups. Our increase in sales is certainly influenced, at least in part, by the dietitians in our experimental kitchens, whose ingenuity introduces our products in nourishing and attractive meals.

The L'Heureux triplets of St. Petersburg, Florida, who are typical of many modern babies being raised on Formulac, our new, scientific and economical baby food

National Dairy and the Farmer

National Dairy is more to its farmers than just a buyer of milk. Our interests are closely linked. From milk comes one-sixth of the national cash farm income, a total of more than $3,500,000,000 in 1946. Milk is the biggest single item in our costs.

This interdependence of dairy farmers and processors was particularly apparent in 1946, when both were sorely taxed to meet an unprecedented demand for their products. At no time in our history did National Dairy, farmers, agricultural schools and other farm agencies work so closely to develop better methods for producing quality milk in greater quantities.

NUTRITIONAL NEED FOR MILK

Despite the splendid production record achieved by farmers in the face of feed, labor and equipment shortages, an even greater challenge to the industry lies ahead. The nutritional need for milk has never been met. More efficient production methods are necessary if the consuming public is to have the milk it needs at prices it can afford to pay.

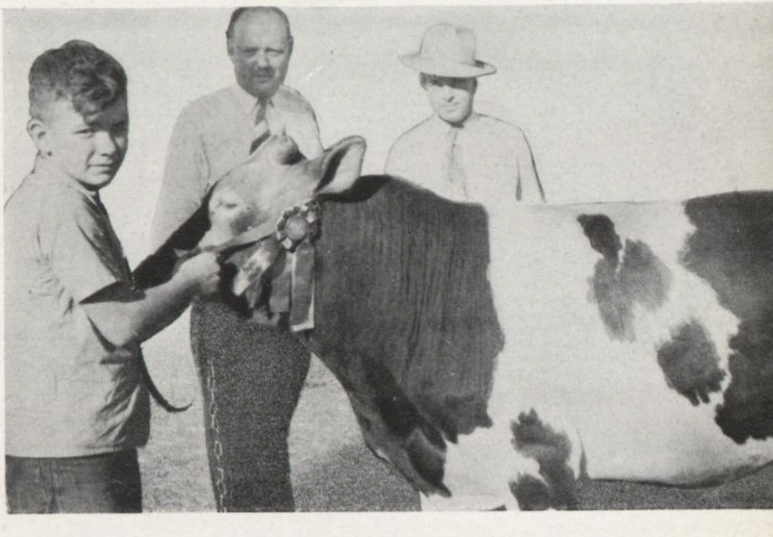
To this end, National Dairy is now further expanding its farm activities by providing a substantial increase in the number of its field men, consisting of veterinarians, agricultural school graduates and farm specialists trained to assist producers in herd improvement and feeding and production methods.

In co-operation with the United States Department of Agriculture, county agents, State colleges of agriculture and other groups we are participating in a program of more efficient milk production on the farm. National Dairy's advertising in farm journals, now in its second year, is directed to this purpose.

DAIRY FARMING DEMONSTRATION

Dairy farming demonstration, curtailed during the war, was revived by many of our companies in 1946, and will be expanded in 1947. To producer-owned farms, on which National Dairy field men have helped to introduce modern methods, neighboring farmers come to learn how they can improve their own operations. National Dairy also took an increasingly active part in 4-H

Bobby Bland, 14, of Dellroy, Ohio, with prize bull contributed by National Dairy and awarded him by independent judges, in a program to help farmers produce milk more efficiently. Bobby and his widowed mother kept an 80 acre farm going while his two older brothers were at war. Bobby has his own herd of five cows, one bull and five heifers which he cares for after school.



Club, Future Farmers of America, Dairy Herd Improvement Association and artificial insemination work.

The value of the modern methods advocated by these organizations is being recognized in increasing measure. For instance, one of the first surveys of the results of artificial breeding, conducted by the New Jersey Agricultural Experiment Station at Rutgers University under our sponsorship, showed a 9 per cent increase in milk production and a 14 per cent increase in butterfat content. As a result of these findings, increased interest in artificial breeding is being shown by milk producers in many parts of the country. It is part of our continuing program to develop factual information of this character and aid in its dissemination to farmers in all of the areas in which our companies purchase milk.

If present knowledge on economical production of milk were put into full effect on the dairy farm, the farmer would have better herds and more milk per cow. His production would even out over the 12 months of the year. He would get a better yield from his farm investment and labor, and alleviate much farm drudgery. This should make farming more attractive as a career to many young men and women.

Semi-solid E Emulsion — a balanced poultry feed was developed in the pilot plant of our Consolidated Products Company's Experimental Farm in Danville, Ill. Healthier flocks, and better eggs result from use of this feed derived largely from by-products in the making of butter and cheese.

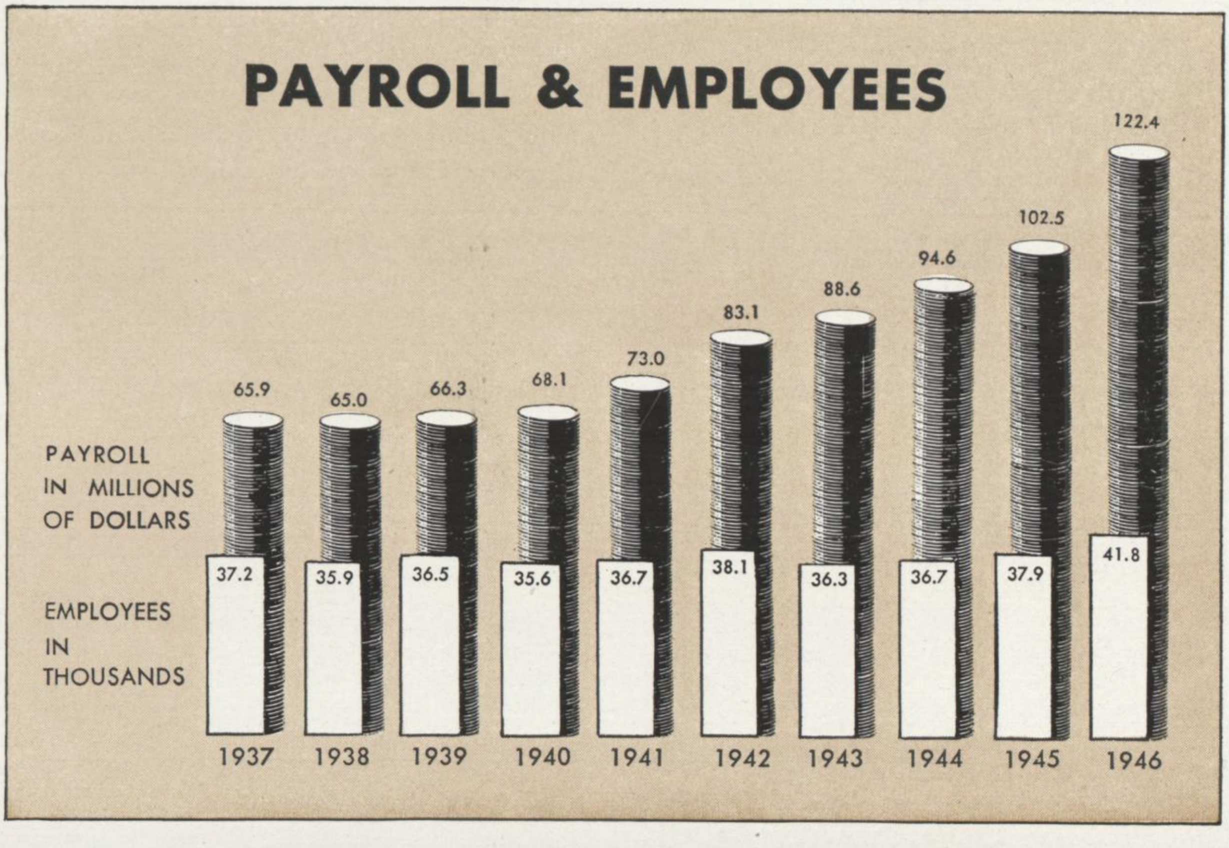
Our Employees

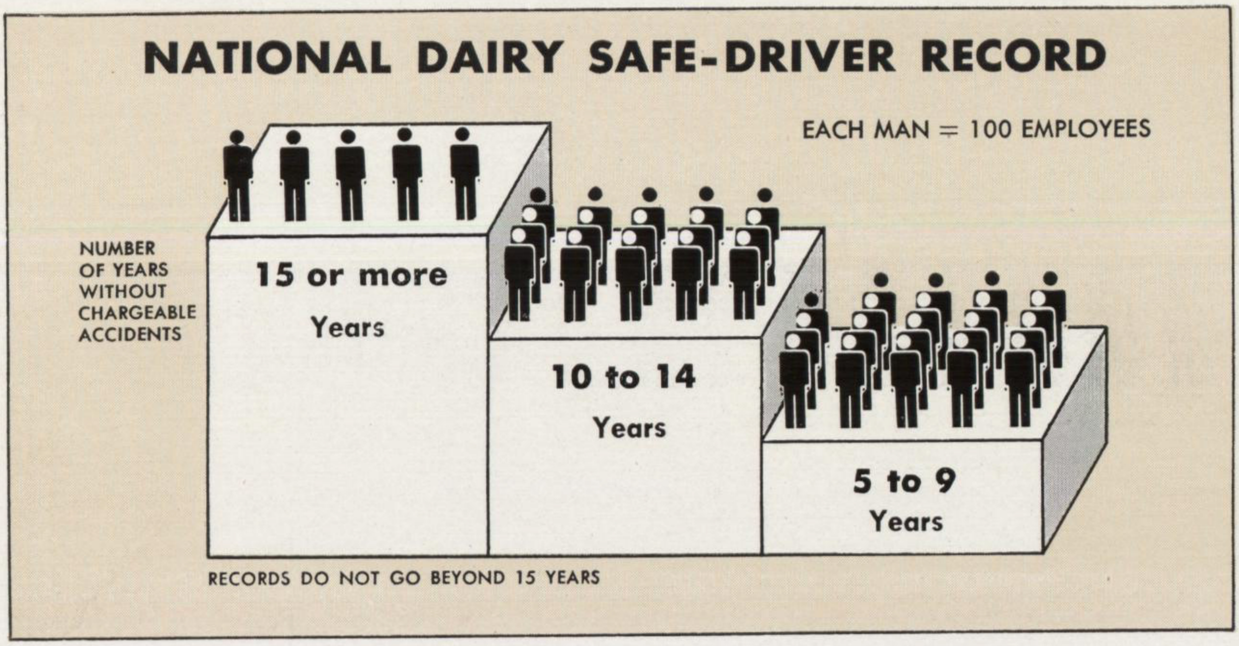
National Dairy has enjoyed a continuing spirit of mutual respect and understanding between its management and employees.

The average total number of employees in 1946 was 41,799, compared with 37,933 in the previous year. It is a source of pride and satisfaction to the Company that of the 9,839 men and women who left to enter the armed forces, more than 75 per cent now have returned to the Company. In addition, many other war veterans who previously were not in our employ have joined the Company.

SECURITY

That job security at National Dairy has been and continues to remain high is evidenced by the fact that more than one-third of our employees have been with the Company for at least 10 years,





and of these more than 5,000 have service records of 20 years or longer. That National Dairy offers its employees worthwhile opportunities for advancement is substantiated by the fact that nearly all of our executives have come up through the ranks.

Sheriff Rex Sweat of Duval County, Florida (second from left) presents safe driving pins in Jacksonville to our Southern Dairies employees, 42 of whom have a total of 122 years of safe driving and about 2,500,000 miles of travel.

SAFETY

National Dairy plants continue to be increasingly safe places to work. While the national average of all industry for lost time from employee-injury accidents increased 11 per cent in 1946 over 1945, National Dairy showed a decrease of 12½ per cent for the same period — a new low. National Dairy's approximately 10,000 drivers also set a new record. Our automobile accident frequency last year was down 23½ per cent from 1945, while the nation's average went up 7 per cent. The number of drivers who have not had a chargeable accident in five years climbed to 3,947, approximately 40 per cent of all drivers. Of these, 1,927 have not had a chargeable accident in 5 to 9 years; 1,496 have not had one in 10 to 14 years, and 524 none in 15 years or more.

Financial Statements

Years 1946 and 1945:

Balance Sheet . . . . Pages 18 & 19
Profit and Loss . . . . Page 20
Earned Surplus . . . . Page 21
Notes . . . . Page 22
Auditors' Certificate . . . . Page 23

Condensed Ten-Year Statement:

Assets and Liabilities . . . . Page 24
Profit and Loss . . . . Page 25

NATIONAL DAIRY PRODUCTS CORPORATION

AND DOMESTIC SUBSIDIARY COMPANIES

Consolidated Balance Sheets

ASSETS	*December 31, 1946*		*December 31, 1945*	
CURRENT ASSETS:				
Cash		$ 21,064,938		$ 32,737,060
U. S. Government securities		5,797,383		23,558,132
Notes and accounts receivable	$ 34,398,533		$ 25,085,003	
Less—Reserve for bad debts	3,645,120	30,753,413	3,485,108	21,599,895
Inventories, lower of average cost or market:				
Products and materials	$ 75,842,189		$ 38,683,484	
Supplies	10,923,766	86,765,955	7,778,995	46,462,479
Total Current Assets		$144,381,689		$124,357,566
INVESTMENTS AND OTHER ASSETS:				
Foreign subsidiaries —				
Canadian	$ 3,134,644		$ 2,598,349	
English, Australian and Argentine	3,939,156		3,998,795	
Continental European	1		1	
	$ 7,073,801		$ 6,597,145	
Less—Reserve for investments	3,503,935		3,503,935	
	$ 3,569,866		$ 3,093,210	
Domestic subsidiaries, not consolidated	316,272		618,272	
Miscellaneous investments, deposits and receivables, less reserve	2,220,605	6,106,743	2,450,005	6,161,487
PROPERTY, PLANT AND EQUIPMENT (Stated at cost or, as to certain properties, at sound values as appraised as of dates of acquisition, less certain adjustments):				
Land	$ 12,518,133		$ 11,831,999	
Buildings, machinery and equipment	148,495,888		129,675,815	
	$161,014,021		$141,507,814	
Less—Reserve for depreciation	66,140,557	94,873,464	59,814,538	81,693,276
PREPAID AND DEFERRED ITEMS:				
Past service retirement annuities	$ 759,593		$ 1,013,818	
Other	1,615,470	2,375,063	823,812	1,837,630
GOODWILL		1		1
		$247,736,960		$214,049,960

(*See Notes to Consolidated Financial Statements, page 22*)

NATIONAL DAIRY PRODUCTS CORPORATION

AND DOMESTIC SUBSIDIARY COMPANIES

Consolidated Balance Sheets

LIABILITIES

	December 31, 1946		December 31, 1945	
CURRENT LIABILITIES:				
Accounts payable		$ 33,781,414		$ 24,899,137
Accrued liabilities		9,656,749		8,984,510
Provision for Federal taxes on income	$ 20,500,000		$ 28,425,000	
Less—U. S. Treasury Savings Notes, Series C	17,461,000	3,039,000	28,425,000	None
Total Current Liabilities		$ 46,477,163		$ 33,883,647
FUNDED DEBT:				
2¾% Debentures due 1970 (Minimum annual sinking fund requirements: 1946-1950, $500,000 principal amount; 1951-1955, $1,000,000; 1956-1969, $1,500,000)		49,500,000		50,000,000
MINORITY INTEREST IN SUBSIDIARIES		336,549		303,805
RESERVES:				
Possible future inventory price declines and other contingencies	$ 15,000,000		$ 10,000,000	
Prior years' Federal and state taxes	7,381,811		6,296,396	
Insurance and other	783,402	23,165,213	701,838	16,998,234
CAPITAL STOCK AND EARNED SURPLUS:				
Common stock—				
Authorized, without par value— 8,000,000 shares				
Issued, at stated value—				
6,267,797 shares	$ 51,550,263			
6,255,247 shares			$ 51,266,676	
Earned surplus, per statement attached	76,707,772	128,258,035	61,597,598	112,864,274
		$247,736,960		$214,049,960

(*See Notes to Consolidated Financial Statements, page 22*)

NATIONAL DAIRY PRODUCTS CORPORATION
AND DOMESTIC SUBSIDIARY COMPANIES
Statements of Consolidated Profit and Loss

	Year Ended December 31, 1946		*Year Ended December 31, 1945*	
INCOME:				
Net sales	$742,408,587		$632,768,849	
Other income	2,023,429	$744,432,016	2,424,062	$635,192,911
INCOME DEDUCTIONS:				
Cost of products	$563,753,507		$476,066,086	
Delivery expense	75,217,481		63,704,369	
Selling expense	32,104,448		26,801,483	
General and administrative expense	20,793,658		18,749,504	
Net *gain* or loss on disposal of plant and equipment	*337,917*		2,686,394	
Miscellaneous charges	433,602		1,087,375	
Interest on funded debt	1,383,420		1,669,121	
Portion of refinancing expenses equivalent to estimated reduction in Federal taxes on income resulting from refinancing	140,000		1,890,000	
Provision for Federal taxes on income	20,500,000		28,425,000	
Provision for possible future inventory price declines	5,000,000	718,988,199	None	621,079,332
Net profit for the year		$ 25,443,817		$ 14,113,579

In 1946 the provision for depreciation charged to costs and expenses amounted to $8,821,809, and in 1945 it aggregated $8,413,506.

(*See Notes to Consolidated Financial Statements, page 22*)

NATIONAL DAIRY PRODUCTS CORPORATION
AND DOMESTIC SUBSIDIARY COMPANIES

Statements of Consolidated Earned Surplus

	Year Ended December 31, 1946		*Year Ended December 31, 1945*	
Balance at beginning of year	$ 61,597,598		$ 57,196,015	
Net profit for the year	25,443,817	$ 87,041,415	14,113,579	$ 71,309,594
Deduct:				
Portion of net refinancing expenses . . .	$ None		$ 954,650	
Dividends on common stock—$1.65 per share in 1946; $1.40 per share in 1945	10,333,643	10,333,643	8,757,346	9,711,996
Balance at end of year		$ 76,707,772		$ 61,597,598

(See Notes to Consolidated Financial Statements, page 22)

COMPTROLLER'S CERTIFICATE

The foregoing financial statements have been prepared under my direction from the companies' books kept under my supervision and, to the best of my knowledge and belief, fairly state the consolidated position of National Dairy Products Corporation and domestic subsidiaries as of December 31, 1946 and the consolidated operations for the year ended on that date.

Hubert P. Brown

Comptroller

New York, N. Y., March 6, 1947

NATIONAL DAIRY PRODUCTS CORPORATION

AND DOMESTIC SUBSIDIARY COMPANIES

Notes to Consolidated Financial Statements . . . December 31, 1946

PRINCIPLES OF CONSOLIDATION

All domestic subsidiary companies have been included in consolidation in the financial statements, except a mutual insurance company (in which the investment is $300,000) and two minor companies (in which the investment is $16,272) in which latter companies a majority but not more than fifty-one per cent of the capital stock is owned.

All foreign subsidiaries have been excluded from consolidation in the financial statements. The net sales and the Corporation's equity in net profits for the year ended December 31, 1946 of subsidiaries located in Canada, England, Australia and Argentina aggregated $26,220,044 and $757,533, respectively. In 1946 cash dividends of $88,306 were received from an English subsidiary and credited to profit and loss.

DIVIDEND RESTRICTION

The Indenture under which the 2¾% Debentures due 1970 of the Corporation are outstanding contains provisions with respect to the payment of dividends on the common stock. Under the formula approximately $48,500,000 of the consolidated earned surplus was so restricted at December 31, 1946.

RESERVE FOR POSSIBLE FUTURE INVENTORY PRICE DECLINES AND OTHER CONTINGENCIES

Pursuant to a resolution by the Board of Directors, provision for possible future inventory price declines was made by a charge to profit and loss in 1946 of $5,000,000. This amount was added to the reserve of $10,000,000 set up in prior years for possible future inventory losses and other contingencies.

INCENTIVE COMPENSATION PLANS

Under the incentive compensation plans of the subsidiaries, employees received payments amounting to $1,246,000 for 1946 as compared with $1,232,000 for 1945. These plans covered in 1946 a total of 1,115 key employees, none of whom received more than 9/10 of 1% of the total.

EMPLOYEES' SHARE PURCHASE PLAN

300,000 shares of the authorized and unissued common stock of the Corporation were reserved until May 15, 1954 for sale to key employees pursuant to the Employees' Share Purchase Plan adopted by the Corporation in 1944. 12,550 shares thereof were issued under the plan in 1946 and the proceeds of $283,587 were credited to the common stock issued account. Of the balance of 287,450 shares of authorized and unissued common stock still reserved at December 31, 1946, privileges to purchase a total of 205,900 shares (91,500 shares at $21.75 per share, 52,600 shares at $26.00 per share and 61,800 shares at $42.25 per share) were held by 96 key employees at that time. The purchase privilege price in each case is equal to 105% of the average market price for the 30 days preceding the date of the grant. In each case the total number of shares is purchasable in equal amounts in periodic installments of one year or less extending to May 15, 1954, and any shares not purchased on the applicable installment date may be purchased thereafter at any time on or before May 15, 1954. These privileges to purchase are non-assignable.

RETIREMENT ANNUITIES

With respect to future service retirement annuities, charges to costs and expenses in 1946 and 1945 amounted to approximately $609,000 and $435,000, respectively.

ARTHUR ANDERSEN & CO.

67 WALL STREET
NEW YORK 5

To the Board of Directors and Stockholders of

National Dairy Products Corporation:

We have examined the consolidated balance sheet of National Dairy Products Corporation (a Delaware corporation) and domestic subsidiary companies as of December 31, 1946, and the statements of consolidated profit and loss and earned surplus for the year then ended, have reviewed the system of internal control and the accounting procedures of the companies and, without making a detailed audit of the transactions, have examined or tested accounting records of the companies and other supporting evidence, by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary. We made a similar examination for the year 1945.

In our opinion, the accompanying consolidated balance sheet and related statements of consolidated profit and loss and earned surplus present fairly the financial position of National Dairy Products Corporation and domestic subsidiary companies consolidated at December 31, 1946, and the results of their operations for the year and are in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Arthur Andersen & Co

New York, N. Y.,
March 6, 1947.

NATIONAL DAIRY PRODUCTS CORPORATION
AND DOMESTIC SUBSIDIARY COMPANIES

Condensed Ten-Year Statement of Consolidated Assets and Liabilities

(*All amounts are expressed in thousands*)

	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937
WORKING CAPITAL										
CURRENT ASSETS										
Cash and marketable securities	$ 26,862	$ 56,295	$ 45,346	$ 29,767	$ 17,028	$ 15,016	$ 16,916	$ 16,727	$ 16,908	$ 19,281
Notes and accounts receivable (net)	30,754	21,600	23,581	22,873	23,828	26,807	17,592	17,803	17,051	16,630
Inventories	86,766	46,463	44,872	52,252	50,410	55,338	33,798	32,113	30,518	28,505
Total Current Assets	$144,382	$124,358	$113,799	$104,892	$ 91,266	$ 97,161	$ 68,306	$ 66,643	$ 64,477	$ 64,416
CURRENT LIABILITIES										
Bank loans	$ 0	$ 0	$ 0	$ 0	$ 1,757	$ 13,475	$ 0	$ 0	$ 5,864	$ 8,100
Serial Debentures	0	0	1,500	1,500	1,500	1,500	1,500	0	0	0
Accounts payable and accruals	43,438	33,884	28,388	26,798	23,317	22,859	17,888	17,944	15,991	18,700
Provision for Federal income tax	20,500	28,425	33,080	29,000	18,500	9,676	4,580	3,299	3,094	2,560
Less—U. S. Treasury Notes	*17,461*	*28,425*	*33,080*	*29,000*	*18,500*	0	0	0	0	0
Total Current Liabilities	$ 46,477	$ 33,884	$ 29,888	$ 28,298	$ 26,574	$ 47,510	$ 23,968	$ 21,243	$ 24,949	$ 29,360
Working Capital	$ 97,905	$ 90,474	$ 83,911	$ 76,594	$ 64,692	$ 49,651	$ 44,338	$ 45,400	$ 39,528	$ 35,056
PROPERTY, PLANT AND EQUIPMENT (Net)	94,873	81,693	84,974	92,188	97,387	100,575	94,962	97,680	105,677	108,405
INVESTMENTS, OTHER ASSETS AND PREPAID ITEMS	8,482	7,999	9,240	8,818	9,883	11,394	12,530	7,022	7,179	7,594
Total	$201,260	$180,166	$178,125	$177,600	$171,962	$161,620	$151,830	$150,102	$152,384	$151,055
FUNDED DEBT	$ 49,500	$ 50,000	$ 51,700	$ 58,800	$ 64,416	$ 66,450	$ 68,500	$ 56,899	$ 60,875	$ 64,039
PREFERRED STOCK	0	0	0	0	0	0	0	9,871	9,871	9,871
MINORITY INTEREST	337	303	345	321	298	350	336	894	915	920
RESERVES	23,165	16,998	17,617	16,654	12,216	7,601	2,998	3,074	2,762	2,636
Total	$ 73,002	$ 67,301	$ 69,662	$ 75,775	$ 76,930	$ 74,401	$ 71,834	$ 70,738	$ 74,423	$ 77,466
Book Value of Common Stock	$128,258	$112,865	$108,463	$101,825	$ 95,032	$ 87,219	$ 79,996	$ 79,364	$ 77,961	$ 73,589

NOTE: *All foreign subsidiaries are excluded from the consolidated accounts beginning with the year 1940.*

NATIONAL DAIRY PRODUCTS CORPORATION
AND DOMESTIC SUBSIDIARY COMPANIES

Condensed Ten-Year Statement of Consolidated Profit and Loss

(All amounts are expressed in thousands, except per share and other statistics)

	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937
INCOME:										
Net sales	$742,409	$632,769	$593,853	$580,173	$562,451	$431,049	$347,410	$336,694	$334,355	$351,015
Other income	2,023	2,424	1,718	1,311	1,306	1,249	935	1,026	1,164	1,127
Total income	$744,432	$635,193	$595,571	$581,484	$563,757	$432,298	$348,345	$337,720	$335,519	$352,142
INCOME DEDUCTIONS:										
Cost of products	$563,754	$476,066	$441,609	$436,739	$425,808	$310,274	$239,090	$225,838	$228,585	$245,781
Delivery expense	75,217	63,704	58,466	56,991	57,111	53,321	52,189	52,857	52,820	53,497
Selling expense	32,104	26,801	24,175	22,786	26,430	26,598	25,922	26,159	24,192	24,942
General and administrative expense	20,794	18,750	18,893	16,931	15,822	14,151	12,918	13,620	12,858	12,572
Miscellaneous	236	5,664	4,311	1,567	2,008	1,091	965	1,181	801	524
Interest on funded debt	1,383	1,669	1,799	1,921	1,956	1,978	2,104	2,238	2,335	2,452
Provision for Federal income tax	20,500	28,425	33,000	29,000	18,500	8,950	4,063	2,793	2,602	2,083
Provision for contingencies	5,000	0	0	2,500	3,900	3,600	0	0	0	0
Total income deductions	$718,988	$621,079	$582,253	$568,435	$551,535	$419,963	$337,251	$324,686	$324,193	$341,851
Amount to earned surplus	$ 25,444	$ 14,114	$ 13,318	$ 13,049	$ 12,222	$ 12,335	$ 11,094	$ 13,034	$ 11,326	$ 10,291
Less—Preferred dividends	0	0	0	0	0	0	691	691	691	691
Balance	$ 25,444	$ 14,114	$ 13,318	$ 13,049	$ 12,222	$ 12,335	$ 10,403	$ 12,343	$ 10,635	$ 9,600
PAYMENTS:										
Dividends	$ 10,334	$ 8,757	$ 6,881	$ 6,255	$ 5,004	$ 5,004	$ 5,004	$ 5,004	$ 6,255	$ 7,506
Payroll	122,408	102,532	94,648	88,632	83,136	72,992	68,098	66,328	64,996	65,889
Taxes	26,723	34,651	40,644	36,099	25,453	15,696	9,984	8,473	8,036	7,011
PER SHARE STATISTICS:										
Earnings	$ 4.05	$ 2.25	$ 2.12	$ 2.08	$ 1.95	$ 1.97	$ 1.66	$ 1.97	$ 1.69	$ 1.53
Dividends	1.65	1.40	1.10	1.00	.80	.80	.80	.80	1.00	1.20
Taxes	4.26	5.54	6.50	5.77	4.07	2.51	1.60	1.35	1.28	1.12
OTHER STATISTICS:										
Number of—										
Stockholders	67,308	67,347	66,636	66,889	68,798	68,820	69,264	70,078	73,723	73,187
Employees	41,799	37,933	36,698	36,281	38,126	36,697	35,565	36,543	35,911	37,227

NOTE: *All foreign subsidiaries are excluded from the consolidated accounts beginning with the year 1940.*

NATIONAL DAIRY PRODUCTS CORPORATION

230 PARK AVENUE • NEW YORK 17, N. Y.

BOARD OF DIRECTORS

Companies named, except those marked with an asterisk, are subsidiaries of National Dairy

F. J. Andre, *President,*
Sheffield Farms Company, Inc.
New York

F. J. Bahl, *President,*
Merchants Cold Storage Company
Cincinnati

Edgar N. Brawner, *President,*
Chestnut Farms-Chevy Chase Dairy Company
Washington, D. C.

Henry W. Breyer, Jr., *President and Treasurer,*
*Breyer Corporation
Philadelphia

James Bruce, *Vice-President,*
National Dairy Products Corporation

Paul C. Cabot, *President,*
*State Street Investment Corporation
Boston

Joseph Gilfillan, *Partner,*
*Gilfillan, Gilpin & Brehman
Philadelphia

Robert S. Gordon, *General Counsel,*
National Dairy Products Corporation

B. S. Halsey, *Vice-President,*
Sheffield Farms Company, Inc.
New York

Vernon F. Hovey, *President,*
General Ice Cream Corporation, Schenectady
Vice-President,
National Dairy Products Corporation

J. L. Kraft, *Chairman of the Board,*
Kraft Foods Company
Chicago

John H. Kraft, *President,*
Kraft Foods Company, Chicago
Vice-President,
National Dairy Products Corporation

B. M. Lide, Jr., *President,*
St. Louis Dairy Company
St. Louis

Elmer J. Mather, *Vice-President,*
National Dairy Products Corporation
Chairman of the Board,
Southern Dairies, Inc., Washington, D. C.

Thos. H. McInnerney, *Chairman of the Board,*
National Dairy Products Corporation

P. P. Miller, *Vice-President,*
General Ice Cream Corporation
Schenectady

E. E. Stewart, *Vice-President,*
National Dairy Products Corporation

Henderson Supplee, Jr., *President,*
Supplee-Wills-Jones Milk Company
Philadelphia

L. A. Van Bomel, *President,*
National Dairy Products Corporation

H. C. Von Elm, *Vice-Chairman of the Board,*
*Manufacturers Trust Company
New York

Sidney J. Weinberg, *Partner,*
*Goldman, Sachs & Co.
New York

H. Burton Wilkerson, *President,*
Nashville Pure Milk Company
Nashville

NATIONAL DAIRY PRODUCTS CORPORATION

230 PARK AVENUE • NEW YORK 17, N. Y.

EXECUTIVE COMMITTEE

OF THE BOARD OF DIRECTORS

L. A. VAN BOMEL, *Chairman*

F. J. Andre
James Bruce
Paul C. Cabot
Joseph Gilfillan
Vernon F. Hovey
John H. Kraft
Elmer J. Mather
Thos. H. McInnerney
H. C. Von Elm
Sidney J. Weinberg

•

OPERATING COMMITTEE

L. A. VAN BOMEL, *Chairman*

F. J. Andre
Edgar N. Brawner
R. A. Brodesser
Christie E. Cuddeback
A. J. Dreux
Frank W. Edwards
Vernon F. Hovey
John H. Kraft
Dan Lewis
G. C. Mahle
Elmer J. Mather
Thos. H. McInnerney
Harrell H. Neel
Clyde H. Shaffer
E. E. Stewart
Henderson Supplee, Jr.
Raymond J. Wise

Members of this committee are executives of National Dairy Products Corporation or subsidiary companies and are appointed by the Board of Directors.

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OFFICERS

THOS. H. McINNERNEY
Chairman of the Board

James Bruce . . . . *Vice-President*
Vernon F. Hovey . . . . *Vice-President*
John H. Kraft . . . . *Vice-President*
Elmer J. Mather . . . . *Vice-President*
E. E. Stewart . . . . *Vice-President*
Harrell H. Neel . . . . *Asst. Vice-President*

L. A. VAN BOMEL
President

George H. Rutherford . . . . *Treasurer*
Robert S. Gordon . . . *General Counsel*
Herbert P. Brown . . . . . *Comptroller*
Reed Hartel . . . . *Secretary*
A. S. Aronson . . . . *Assistant Treasurer*
Elizabeth H. Dreher . . . *Asst. Secretary*

Transfer Agent
Manufacturers Trust Company
New York, N. Y.

•

Sullivan & Cromwell, *Counsel*

Registrar
The Chase National Bank of the
City of New York, New York, N. Y.

•

Arthur Andersen & Co., *Auditors*

NATIONAL DAIRY PRODUCTS CORPORATION

230 PARK AVENUE • NEW YORK 17, N. Y.

PRINCIPAL SUBSIDIARIES

- Akron Pure Milk Co., Akron, O.
- Allen Ice Cream Co., Rockford, Ill.
- Aralac, Inc., Taftville, Conn.

- Breakstone Bros., Inc., New York, N. Y.
  - National Cheese Co., Chicago, Ill.
  - National Creamery Co., Somerville, Mass.
- Breyer Ice Cream Co., Philadelphia, Pa.
- Breyer Ice Cream Co., Inc., Long Island City, N. Y.

- Castles Ice Cream Co., Garfield, N. J.
- Chapman Dairy Co., Kansas City, Mo.
- Chestnut Farms-Chevy Chase Dairy Co., Washington, D. C.
- Clover Dairy Co., Wilmington, Del.
- Clover Farm Dairy Co., Memphis, Tenn.
- Cloverleaf Creameries, Inc., Huntington, Ind.
- Cloverleaf Products Co., Peru, Ind.
- Consolidated Dairy Products Co., Inc., Long Island City, N. Y.
- Consolidated Products Co., Danville, Ill.
- Consumers Dairy Co., Union City, N. J.

- Deerfoot Farms Co., Southboro, Mass.
- Detroit Creamery Co., Detroit, Mich.

- Ebling Creamery Co., Detroit, Mich.
- Ewing-Von Allmen Dairy Co., Louisville, Ky.

- Franklin Ice Cream Co., Kansas City, Mo.
- Frechtling Dairy Co., Cincinnati, Ohio

- General Ice Cream Corp., Schenectady, N. Y.
  - Dodds Alderney Dairy, Inc., Buffalo, N. Y.

- Harding Co., Omaha, Neb.
- Hiland Dairy Co., Cincinnati, Ohio
- Hydrox Corp., Chicago, Ill.
- Hydrox Ice Cream Co., Inc., Long Island City, N. Y.

- Kraft Foods Co., Chicago, Ill.
  - Alimentos Kraft Argentina, S.A.C.I., Buenos Aires, Argentina
  - Betz & Jay, G.m.b.H., Cologne, Germany
  - N. V. Kaashandel Betz & Jay, Rotterdam, Holland
  - Hodgson, Rowson & Co., Limited, Montreal, Canada
  - Kraft Associated Distributors Inc., Chicago, Ill.
  - Kraft Cheese Co. Limited, Hayes, England
  - Kraft Dairies Limited, Hayes, England
  - Kraft Foods Co. of Wisconsin, Chicago, Ill.
    - Carney Cheese & Butter Co., Carney, Mich.
  - Kraft Foods Limited, Outremont, Quebec, Canada
    - McNeely's Limited, Vancouver, B.C., Canada
  - Kraft Foods Products, S.A., Brussels, Belgium
  - Kraft Kase-Werke G.m.b.H., Lindenberg, Bavaria, Germany
  - Kraft Walker Cheese Co. Proprietary Ltd., Melbourne, Australia
  - Kraystay Limited, Outremont, Quebec, Canada
  - Laabs Cheese Co., Curtiss, Wis.
  - Phenix Pabst-ett Co., Chicago, Ill.

- Luick Dairy Co., Milwaukee, Wis.
- Luick Ice Cream Co., Milwaukee, Wis.

- Marvadel Ice Cream Co., Inc., Salisbury, Md.
- Matthews-Frechtling Dairy Co., Cincinnati, Ohio
- Merchants Cold Storage Co., Cincinnati, Ohio
- Muller Dairies, Inc., New York, N. Y.

- Nashville Pure Milk Co., Nashville, Tenn.
- National Dairy Products Company, Inc., Chicago, Ill.
- National Dairy Products Corp. of Canada, Limited, Toronto, Canada

- Ohio Clover Leaf Dairy Co., Detroit, Mich.
- Ovson Egg Co., Chicago, Ill.

- Rieck-McJunkin Dairy Co., Pittsburgh, Pa.
  - Erie County Milk Association, Erie, Pa.
  - Ohio Evaporated Milk Co., Pittsburgh, Pa.
- J. D. Roszell Co., Peoria, Ill.

- St. Louis Dairy Co., St. Louis, Mo.
- Sanitary Milk Co., Canton, O.
- Sealtest, Inc., New York, N. Y.
  - Sealtest (Canada) Limited, Montreal, Canada
  - Sealtest Limited, Hayes, England
- Sheffield Farms Co., Inc., New York, N. Y.
- Southern Dairies, Inc., Washington, D. C.
  - Jersey Ice Cream Co., Miami, Florida
  - Peerless Ice Cream Co., Birmingham, Alabama
- Sugar Creek Creamery Co., Danville, Ill.
- Supplee-Wills-Jones Milk Co., Philadelphia, Pa.

- Telling-Belle Vernon Co., Cleveland, O.
- Texas Vinegar Co., Dallas, Texas
- Tri-State Butter Co., Cincinnati, O.

- Union Ice Cream Co., Nashville, Tenn.

- Western Maryland Dairy, Inc., Baltimore, Md.
- Windsor Evaporated Milk Co., Cleveland, O.
- Wisconsin Creameries, Inc., Milwaukee, Wis.

- Youngstown Sanitary Milk Co., Youngstown, O.

The paper used in this report has been coated with our Sheffield casein. The largest use to which casein is put is in coating papers

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Quick Frozen
RHUBARB
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QUICK FROZEN
SLICED PEACHES
IN SYRUP
Southern Dairies
QUICK FROZEN
SLICED PEACHES
IN SYRUP
Southern Dairies

PHILADELPHIA
BRAND
PASTEURIZED
CREAM CHEESE
KRAFT CHEESE COMPANY
PHILADELPHIA
BRAND
PASTEURIZED
CREAM CHEESE
PHILADELPHIA
BRAND
PASTEURIZED
CREAM CHEESE

ONE POUND NET
Harding's
Quality BUTTER
ONE POUND NET
Harding's
Quality BUTTER

SUGAR CREEK BUTTER
1 LB.
NET
SUGAR CREEK BUTTER
ONE POUND NET
CHURNED FROM PASTEURIZED CREAM
SUGAR CREEK CREAMERY Co. DISTRIBUTORS
GENERAL OFFICES, DANVILLE, ILLINOIS

made by KRAFT
Parkay
VEGETABLE
OLEOMARGARINE
15,000 UNITS VITAMIN A
made by KRAFT
Parkay
VEGETABLE
OLEOMARGARINE

KAFF-A
A BUTTERMILK and VITAMIN FEED
FOR STARTING AND GROWING CALVES

Phenix
BOUILLON
CUBES
Delicious
FLAVORING FOR GRAVIES, SOUPS, ASPICS AND SAUCES
Phenix
BOUILLON
CUBES
Delicious
Phenix
BOUILLON
CUBES
Delicious

KRAFT
CHOCOLATE FLAVORED
MALTED MILK

SHEFFIELD
NEW PROCESS
HIGH NITROGEN
CASEIN

MARYLAND
Enriched Bread
WESTERN MARYLAND
DAIRY
TASTE IT! TOASTED
Enriched Bread
MARYLAND
DAIRY
Enriched Bread
WESTERN MARYLAND
TASTE IT! TOASTED

PASTEURIZED
Pabst-ett
DELICIOUS and DIGESTIBLE
PABST-ETT COMPANY · DISTRIBUTOR · CHICAGO, ILL.
EXCELLENT FOR CHILDREN
Pabst-ett

Kraft
PREPARED
Mustard
WITH ADDED
HORSERADISH
Kraft
PREPARED
Mustard
WITH ADDED
HORSERADISH

Deerfoot Farms Sausage
Deerfoot Farms Sausage
Deerfoot Farms Sausage
Deerfoot Farms Sausage

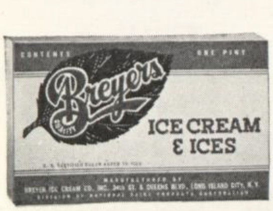
Breakstone's
CREAM CHEESE
Cream Crest

Rich Pasture
CREAMERY BUTTER
1 LB. NET
Rich Pasture
CREAMERY BUTTER
1 LB. NET
Rich Pasture
CREAMERY BUTTER
1 LB. NET
THE TRI-STATE BUTTER CO.

OVSON
STANDARD
EGGS

FRIZZ
MAKES DELICIOUS
ICE CREAM
Just add water
KRAFT
FRIZZ
MAKES DELICIOUS
ICE CREAM
Just add water
FRIZZ
MAKES DELICIOUS
ICE CREAM
Just add water
KRAFT CHEESE COMPANY

SHEFFIELD
Sealect
BRAND
EVAPORATED
MILK
SHEFFIELD
Sealect
EVAPORATED
MILK
SHEFFIELD
Sealect
EVAPORATED
MILK


CONTENTS ONE PINT
Breyers
QUALITY
ICE CREAM
& ICES
MANUFACTURED BY
BREYER ICE CREAM CO., INC.

PASTEURIZED
Breakstone's
CREAMED COTTAGE CHEESE
Breakstone's
Creamed
COTTAGE CHEESE
PASTEURIZED
BREAKSTONE BROS., INC.
NEW YORK, NEW YORK

HYDROX
ORANGE
HYDROX
GINGER ALE
PALE DRY
HYDROX
ROOT BEER

Kraft
powdered
WHOLE
MILK
Kraft
powdered
WHOLE
MILK
Kraft
powdered
WHOLE
MILK

NATIONAL DAIRY
Kraft
PRODUCTS CORP.

NATIONAL DAIRY
Sealtest
PRODUCTS CORP.

NATIONAL DAIRY
Breyers
PRODUCTS CORP.